

PSJ15 Exh 41

# Addiction Treatment Business



# Vision



- Market Focused
- Pharmaceutical Resource
- Broad Range Of Products & Services

## Types Of Addictions:

**Heroin**

**Opiate**

**Alcohol**

Cocaine

Bulimia

Smoking

Gambling

Sexual

Etc.

# Methadose<sup>®</sup>

*methadone hydrochloride tablets, USP*

*methadone hydrochloride oral concentrate, USP*

# Methadone Maintenance Treatment

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- Used for Opiate addiction since 1950's
- Most studied and regulated drug in U.S.
- Most effective method for treating opiate addiction
- Patients in treatment grew from 120K in 1995 to 180K in 1998 (now ~200K)
- Average dose of methadone rose from 55mg to 70mg during same period (now ~75-80mg)

# Illicit Opiate Use

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- 800M to 1.2MM heroin users in U.S.
- Purity and low cost causing rise in use
- Heroin users younger than ever before
- OxyContin abuse is changing the market
- Coming changes in regulations should make methadone treatment more available and increase the number in treatment

# Why Methadone?

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- Most cost effective treatment form
- Prevents withdrawal
- Prevents “high” if opiates are used
- Allows patient to lead normal life when properly dosed (patients are not walking “zombies”)

# U.S. Market For MMT

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- Products
  - Liquid(10mg/mL)
  - Tablets (40mg and 5mg primarily)
  - Powder
- Value of market ~\$23MM



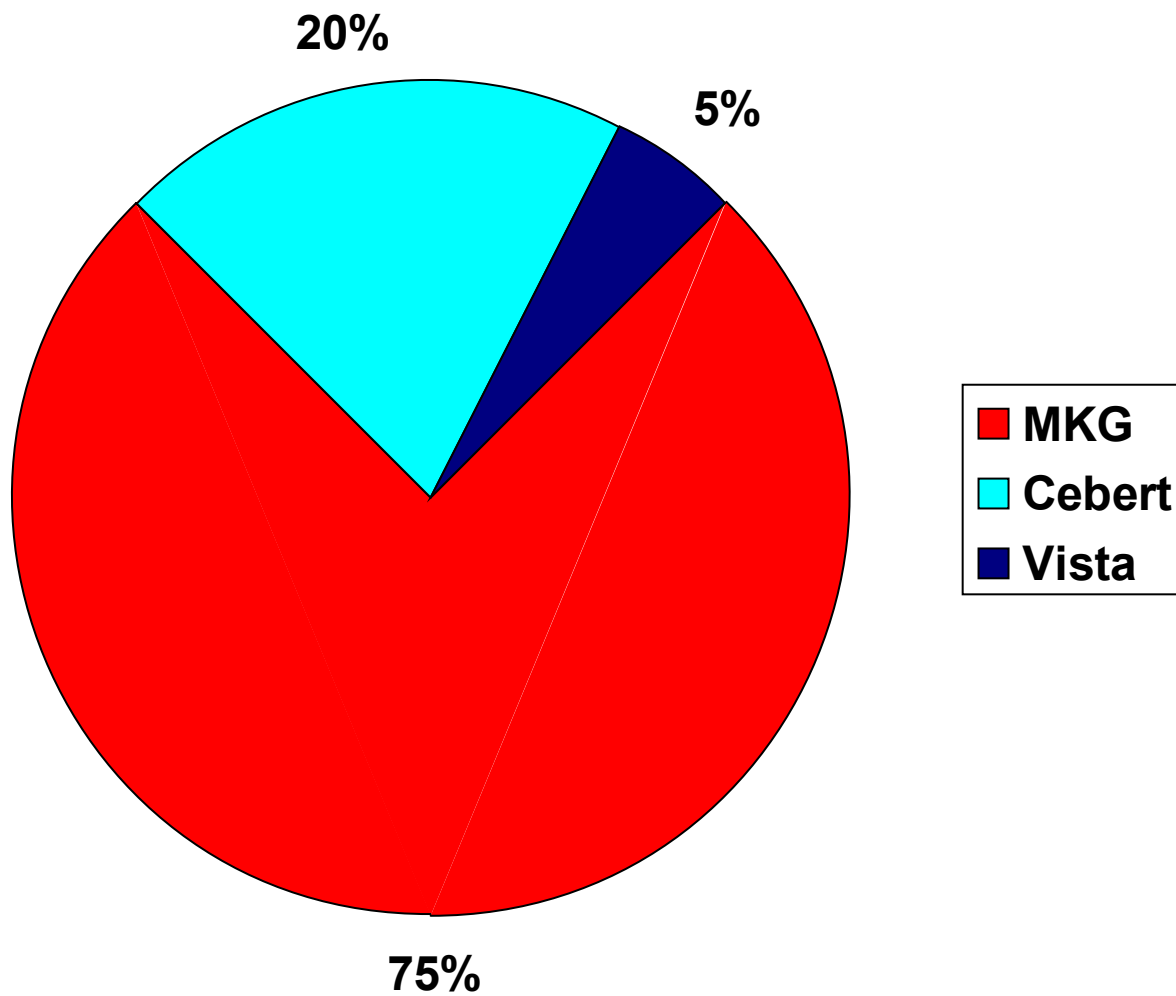
# MMT Clinics

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- Methadone Maintenance Treatment (MMT) Clinics:
  - are highly regulated
  - have special licenses
  - provide counseling and medicine

# MMT Market Share

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# MMT Market Dynamics

MALLINCKRODT

- **Roxane**
  - **Cut their sales force in December 2000**
  - **Moved production in-house from Lilly in June 2001**
  - **Result of transition has been quality problems (broken tablets, short counts), late shipments, unhappy customers and lost business**
- **UDL(Mylan)**
  - **Ran out of product in October 2000 (bought from MI for four months)**
  - **Exited the market in February 2001 (returned four months later)**
  - **Resulted in customers lost confidence and lost business**

# MMT Market Dynamics

MALLINCKRODT

- Roxane —————> Cebert
  - **Licensed AT rights to the methadone products in September 2001**
  - **Copying MI where they are deficient (Methasoft) and promoting the strength they do have**
  - **Pricing is highest**
- UDL(Mylan) —————> Vista Pharm (GeriMed)
  - **Sold plant and AT products in November 2001**
  - **One sales rep (Ray Porra)**
  - **Competes only on price (pricing is the lowest) and relationships**

# MMT Market Dynamics

MALLINCKRODT

- Prior to Roxane, Cebert's products were owned by Lilly
- MI is the stable force in the market place
  - In this market since the 1970's
  - Supports the market with educational materials among other things
  - Continues to add new products
  - Has the support of upper management

# MMT Competitor Comparison

Product	Mallinckrodt	Cebert	Vista
Cherry Liquid	X	X	X
Clear Liquid	X	X	
White Tablet	X	X	X
Orange Tablet		X	
Powder	X	X	X
Manual Dispenser	X	X	
Computer System	X	X	
ZT Pump	X	X	
Educational Materials	X		
Sales Force	5	1	1

# The Future

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- MI looking to increase our product offering
- Reached agreement with CSM to sell the M4
  - ID System
  - ZT Pump
  - New Platform
  - CSM to manage the help desk

***Depade***

***naltrexone hydrochloride  
tablets, USP***